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Character

The Foundation of Successful Business

by

John D. Rockefeller, Jr.

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FORT NEW AMSTERDAM (NEW YORK), 1651

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"Ever'thing comes t' him who waits
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Character

The Foundation of Successful Business

by

JOHN D. ROCKEFELLER, JR.

An address delivered before the
Twenty-Six Broadway Club
December 1, 1927

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Character

The Foundation of Successful Business

Mr. Chairman and Friends:

Mrs. Rockefeller and I hold so pleasantly in memory the evening spent with you four years ago that we are more than glad to be here tonight and to have the opportunity of repeating an experience so wholly delightful. As I look into your faces and reflect upon what your company is doing, I am very proud of this splendid family and a bit envious of those who are really related to it. Just what qualifications are requisite for membership, I do not know, but assume only those are eligible who are in the employ of the company.

While it is true that neither Mrs. Rockefeller nor I are on the payroll of the company, we are nevertheless both working for the promotion of the company's interest—Mrs. Rockefeller in Bayway and Bayonne and I wherever opportunity offers. Will Rogers recently offered to bet Mr. Arthur Brisbane $5,000 that Presi-

dent Coolidge would run again. In the course of his letter he said, "I know you writers write one thing and think another, but a man always bets the way he thinks." It is a truism that one's interest follows one's investments. Therefore, the fact that Mrs. Rockefeller and I have quite a snug little nest-egg tucked away in the securities of your company speaks perhaps more eloquently than anything I can say of our belief in the company, which means our belief in you.

Service the Pathway to Success

In the few words which I had the privilege of saying to you four years ago this evening, I called attention to the fact that that company which renders service efficiently and satisfactorily is following the surest path to financial success. In this connection I was greatly pleased to have brought to my attention recently a newspaper story concerning this company which ran as follows:

> "When one drives into a Standard service station these days a youth in uniform approaches the car from the front. He carries a water can with a long snout. He opens your radiator cap

and pours water in the tank. Then he closes the cap, takes a rag, wipes off the nickel trimming, after which he attacks the windshield with the rag and removes all evidences of the previous night's fog. In the meantime he nods a cheery good morning or good evening to you, and without more ado raises your hood and examines the status of the oil in your crankcase.

"All of this before you have a chance to say a word. Later, when you have ascertained the condition of your oil, and, if necessary, remedied it, he stands by respectfully to learn your desires in the matter of gasoline.

"All of this time you are thinking what a thundering nice fellow he is to fill your water tank, examine your oil and ascertain your gasoline needs. The thought immediately arises that here is a fellow who deserves an adequate tip, and while you are pondering in your mind whether it should be a quarter or a half, your eyes fall upon a bright red sign which informs you that tips are not acceptable, that the service you have received is gratis.

"In the meantime your gasoline needs have been tended to and the young man stands attentively at your car window. You ask him how much, he tells you and, after counting your change, waves you goodby and you drive off.

"Somehow you feel, as you drive away from one of those stations, that your old car doesn't look so badly and that, after all, the winter isn't going to be so hard. That is, you have something of the feeling of a man who upon inquiry at the bank learns that his balance is larger than he expected it to be.

"If everybody in your line of business in this town would go half as far to be nice and pleasant to people as do these boys of the Standard Oil Company, then we expect this would be a much pleasanter place to live in, and, in the long run, a much more profitable one."

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THIS story well illustrates the fine type of service which this company is rendering. In the days when my father was active in affairs, the great problem with

which business was grappling was how to organize on a scale commensurate with the growing demands for service made by the ever increasing population. Now the gigantic corporate form of business, suspected and harassed during the years of its evolution, is accepted as not only useful but indispensable. Business also has turned its attention to the development of better relations between employer and employe and, while much remains to be done, marvelous progress has been made along that line.

High Standards of Business Ethics

Today the vital matter to which business must needs address itself is the re-emphasizing of *high standards of business ethics*, for upon such a foundation only can business be permanently successful. This company was a pioneer in the first two of these fields and made a contribution of immense value. Here again in this third field can it render to business a further inestimable service by the example which it sets. Feeling as I do that this question is of basic significance, I should like to say a few words tonight on the subject—

"Character—the foundation of successful business."

Of course other qualities besides character are also necessary—ability, persistence, industry, thrift—but character is indispensable. Some people confuse reputation with character. Reputation is what people think we are; character is what we really are. A good reputation for an individual or business concern is to be desired; far more so a character that is beyond question.

Four Qualities of Character

May I mention briefly four qualities which go to make up character. The first is integrity. We put our money in a bank with a sense of security because we believe in the integrity of those in charge. A man may speculate in the hope of making a lucky turn, but he invests his money in enterprises conducted by men of known integrity. Integrity in business means a trade as good for one party as for the other. A man may get the better of you in a bargain once, but you continue to do business with those people only who you know are looking out for your interests as well as their own.

Last summer three of our sons were traveling with us in Europe. Each was assigned some particular task in connection with the business of traveling. One at-

tended to the auditing and paying of bills and the handling of funds; another to the baggage; while the third did errands. Each received weekly pay commensurate with the service rendered. As a result of this experience, the boy who paid the bills came to realize that the reason for carefully auditing and adding any account before paying it, whether for a meal, hotel accommodations or goods purchased, was quite as much to make sure that full payment was rendered for the service received as to guard against the possibility of paying more than the exact sum due. The amount of error on either side of the account was not the significant thing, but rather the principle of absolute integrity and accuracy.

Obedience to Law

In the second place, character implies obedience to law—irrespective of whether one likes the law, believes in it or is opposed to it. How well known to all of us are instances of law breaking like the following: Here is a woman who says, "I don't believe in the customs law. It is foolish and unwarranted. Therefore I feel perfectly justified in smuggling." With equal propriety says the footpad, "This law against highway robbery cramps my style and forces

me to the unwelcome alternative of earning an honest living." And he holds up the next automobile that passes.

Another illustration of this same attitude is the feeling on the part of many people that the 18th amendment is an infringement of personal liberty and therefore its observance is purely optional. To my way of thinking it is absolutely on all fours with the cases cited above.

And again the same disregard for law sometimes shows itself in connection with the operations of business. There are a large and increasing number of laws regulating business. The great majority of them are undoubtedly wise and in the interest of the people. Some unnecessarily hamper and restrict business and do not serve the common good. Here, as in any of these other instances of regrettably common lawlessness, one has respect for the man who seeks by every legitimate means to bring about the repeal of a law which he honestly thinks to be contrary to public interest. But law is law, whether it affects personal liberty, social well-being or business; so long as it remains the law of the land it should be obeyed both by individuals and by corporations. The alternative is anarchy.

A third requisite of character is clean living. With the changing point of view of modern times in regard to moral questions, one almost wonders whether there is any such thing as fixed moral standards. And yet, with all due allowance for legitimate differences of opinion, way down within us all we know that those things which keep us physically fit, mentally vigorous and spiritually sensitive make for clean living and fine character, while whatever tends to defile the "house beautiful" in which our spirit dwells, to dull the power of our minds, to lower our ideals, is unworthy.

Clean Living

In these days of unprecedented and widespread prosperity in our land, with self-indulgence growing, individual liberty too frequently becoming license, and will-power weakened by the less virile conditions of life, there is serious need of re-emphasizing the underlying importance of clean living as a requisite of business success. The good mixer, the hail-fellow-well-met is an asset in any business, but when he feels it necessary to "go the pace," whether from personal inclination or ostensibly to maintain his business contacts, he becomes a distinct liability to his company, and a positive menace to its public standing and its morale, both of which are

of basic importance. A new emphasis on high ideals of personal living is greatly needed in business today, also, may I add, men with the courage to live up to their convictions.

Singleness of Purpose

The fourth and final quality which I would mention is singleness of purpose or loyalty. Nothing truer was ever said than that "no man can serve two masters." So obvious is this fact that it has been embodied in law, which forbids the receiving of a commission from both buyer and seller. Often, however, in so insidious a way is influence brought to bear to break down one's singleness of purpose that the approach is not easy to recognize.

When I first sought to be useful to my father in business ways, I had occasion to suspect that a certain employe who was buying supplies was taking commissions. I questioned him carefully but was unable to draw out the fact of which I had outside proof. Ultimately when I asked him point blank if he had ever received any money or presents from a certain concern, he said, "Why, yes, they sent me a Christmas present, but I did not suppose that had anything to do with my buying of them."

One's value to an employer is in large measure dependent upon singleness of purpose. If in considering advice given or an opinion expressed one must always wonder whether it is disinterested or whether personal advantage enters in, its value is seriously discounted. To be worthy of the complete confidence of our associates, to know that they can put a hundred per cent reliance in the disinterestedness of the opinions which we express, is one of the finest things in life. No gain to be derived from undertaking to ride two horses at the same time can begin to equal the satisfaction thus realized.

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THESE then are certain of the fundamental qualities that underlie character—*integrity*, *obedience to law*, *clean living* and *singleness of purpose*. Is there any one of them that can be omitted or ignored without hazarding continuing business success? It is true that money is often made by trickery and sharp practice, but successful business is not established on a foundation so shifting.

Regretfully must we admit that instances are not lacking of corporations and individuals who set them-

selves up as superior to law, but when condemned, as they are sure to be, in the court of public opinion, even the most worldly minded is bound to ask himself, "Does it pay?", and to admit that no business can be permanently successful which is not law-abiding.

The Best Chance of Winning

As for clean living, is it not obvious that that man stands the best chance of winning out in any sphere who is sound in body, alert of mind and fearless of heart? Singleness of purpose, the loyalty of those with whom we are associated, gives us confidence in our fellows and makes great enterprises and achievement possible.

But, someone says, the pressure of competition is so tremendous that it is not always practicable to maintain these standards, much as we may believe in them. I answer that no honest stockholder wants profits derived from compromise with right, nor would he wittingly permit, much less expect, any act to be performed by anyone representing the company, from the president to the office boy, which he would not himself be willing to perform. This is a position which cannot be too strongly stated. It is a platform on which I have always stood like the rock of Gibraltar.

To Make a Life,
Not a Living

Every ambitious, self-respecting individual wants to make a living. That he should do, and as much more as his services to society justify. But in this money-mad age we do well to remind ourselves that after all the real purpose of our existence is not to make a living, but to make a life—a worthy, well-rounded and useful life. In the long run, therefore, anything that defeats that purpose is not worth the cost.

Years ago my father received a letter from someone in the Middle West who said he had been charged an exorbitant price for kerosene in a small country grocery store. His immediate assumption was that the president of the Standard Oil Company approved and authorized such overcharge; hence the bitter letter which he wrote the then president. In other words, the president of the company was being judged by the unwarranted and to him utterly unknown act of the grocery clerk.

No Man Can Live
Unto Himself Alone

Each one of you to a degree holds in his hand the reputation of your associates in this company and of the stockholders as well. Where the man at the service

station renders efficient, cheerful service, he is bringing direct credit upon everyone connected with the company. Where an employe, of whatever rank, fails to live up to the highest standards in his individual business life, he is bringing discredit upon his associates and his employers.

Truly has it been said that no man can live unto himself alone; our lives are too intimately interwoven, human relations are too interdependent. It is because I believe so profoundly in this Standard Oil family, because I am so proud of what it is and what it is doing, that I covet for it the best in personal character, in ideals as well as in business success.

A Letter to the
Twenty-Six Broadway Club
from Mr. John D. Rockefeller

JOHN D ROCKEFELLER
KYKUIT
POCANTICO HILLS
NEW YORK

November 24, 1927.

Dear Mr. Phelps:

I thank you for your very kind invitation to be present at the Sixth Annual Banquet of the Twenty-Six Broadway Club, to be held at the Hotel Biltmore on December 1st.

Nothing would give me greater pleasure than to attend, and to mingle with the old representatives of the Company, and make the acquaintance of the new, on that occasion. I regret, however, that I shall be unable to do so.

Please extend to the Club my heartiest felicitations, with the hope that every member may attain to the highest niche to which he is entitled, and the utmost usefulness, in connection with the Company, not only, but in all the varied relations of life, wherever duty and service may call, and that each may be keenly sensitive to the call, remembering that in this way, only, can we find our highest happiness and satisfaction.

With appreciation of the kind thought of the Club in desiring me to be with you, I am

Sincerely yours,

John D. Rockefeller.

Mr. A. G. Phelps, President,
Twenty-Six Broadway Club,
26 Broadway, New York.